United Nations S/AC.37/2004/(1455)/4

Security Council

Distr.: General
20 January 2004

Original: English

Security Council Committee established pursuant to resolution 1267 (1999) concerning Al-Qaida and the Taliban and associated individuals and entities

Note verbale dated 19 January 2004 from the Permanent Mission of Latvia to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of the Republic of Latvia to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1267 (1999) and, referring to the latter's note, has the honour to submit the report of the Republic of Latvia pursuant to paragraphs 6 and 12 of resolution 1455 (2003) (see annex).

04-21873 (E) 090204

Annex to the note verbale dated 19 January 2004 from the Permanent Mission of Latvia to the United Nations addressed to the Chairman of the Committee

REPORT OF THE REPUBLIC OF LATVIA PURSUANT TO PARAGRAPH 6 AND 12 OF RESOLUTION 1455 (2003)

I. Introduction

1. Please provide a description of activities, if any, by Usama Bin Laden, Al-Qaida, the Taliban and their associates in your country, the threat they pose to the country and the region, as well as likely trends.

To date there have been no activities carried out by the Usama Bin Laden, Al-Qaida, the Taliban and their associates in the Republic of Latvia.

II. Consolidated List

2. How has the 1267 Committee's List been incorporated within your legal system and your administrative structure, including financial supervision, police, immigration control, customs and consular authorities?

The Regulation of the Cabinet of Ministers was adopted on July 15, 2003 stating that the Control Service receives and accepts the lists of the international organizations and states for approval and dissemination of the consolidated "Terrorist watch list" in the Republic of Latvia. The Regulation names six international organizations – UN, EU, OSCE, Council of Europe, Interpol and Europol. It also provides that lists can be accepted from the state which is a member at least of one of the abovementioned organizations or it is a memberstate of the International Convention on the Suppression of the Financing of terrorism, or it is member of the Egmont group. The state shall be in line with one of these conditions.

The Control Service is the main institution in the Republic of Latvia consolidating the information on terrorist watch lists and disseminating these to the competent state authorities for further activities. The Control Service is a legal person under the supervision of the Office of the Prosecutor, such supervision is directly exercised by the Prosecutor-General and specially authorized prosecutors. The Council of the Prosecutor-General approves the by-laws of the Control Service. The structure and the staff of the Control Service is determined by the Prosecutor-General.

Furthermore the Control Service as a specially established state authority which exercises control over suspicious financial transactions, acquires, receives, registers, processes, compiles, stores, analyzes and provides information to the pre-trial investigative institutions and the court. It also carries out the supervision function over credit

institutions and their activities in the field of preventing and suspending the financing of terrorism.

The 1267 Committee's List along with other lists is being used by different police institutions for investigative purposes.

Concerning immigration, customs and consular matters, please see the answers to section IV.

3. Have you encountered any problems with implementation with regard to the names and identifying information as currently included in the List? If so, please describe these problems.

In that extent some problems occur with various spelling of the Arabic names and also the fact that the thousands of real names of persons are together with different nicknames what makes the work with lists a bit difficult. The suspicious names are always checked also when these differ just by one letter.

4. Have your authorities identified inside your territory any designated individuals or entities? If so, please outline the actions that have been taken.

To date Latvian authorities have not identified any of the designated individuals or entities in the territory of the Republic of Latvia.

5. Please submit to the Committee, to the extent possible, the names of individuals or entities associated with Usama Bin Laden or members of the Taliban or Al-Qaida that have not been included in the List, unless to do so would compromise investigations or enforcement actions.

There are no such names Latvia can submit to the Committee.

6. Have any listed individuals or entities brought a lawsuit or engaged in legal proceedings against your authorities for inclusion in the list? Please specify and elaborate, as appropriate.

To date no individual or entity has brought lawsuit or engaged in legal proceedings in the Republic of Latvia concerning inclusion in the list.

7. Have you identified any of the listed individuals as nationals or residents of your country? Do your authorities have any relevant information about then not already included in the List? If so, please provide this information to the Committee well as similar information on listed entities, as available.

None of the listed individuals have been identified as Latvian national or resident of Latvia.

8. According to your national legislation, if any, please describe any measures you have taken to prevent entities and individuals from recruiting or supporting Al-Qaida members in carrying out activities inside your country, and to prevent individuals from participating in Al-Qaida training camps established in your territory or in another country.

There are no specific measures concerning recruitment or supporting Al-Qaida members, however various acts of legislation provide measures aiming to seize activities of terrorists or persons supporting terrorists including criminal liability for terrorism and measures concerning financial assets.

9. Please describe briefly:

- ***the domestic legal basis to implement the asset freeze required by the resolutions above;***
- ***any impediments under your domestic law in this context and steps taken to address them.***

Financial assets which can be qualified as proceeds from crime, shall be frozen without delay under warrant of the Control Service. To date there have been no impediments in this context.

10. Please describe any structures or mechanisms in place within your government to identify and investigate Usama Bin Laden, Al-Qaida or Taliban-related financial networks, or those who provide support to them or individuals, groups, undertakings and entities associated with them within your jurisdiction. Please indicate, as appropriate, how your efforts are coordinated nationally, regionally and/or internationally.

According to the provisions set out in the Law on Prevention of the Laundering of the Proceeds from Crime credit institutions and financial institutions shall refrain from conducting a transaction if there is cause for suspicion that this transaction is associated with the laundering or attempted laundering of proceeds from crime. Credit institutions and financial institutions have an obligation to:

- notify the Control Service without delay regarding each financial transaction the elements of which conform to at least one of the elements included in the list of elements of unusual transactions. The list of elements of unusual transactions and procedures for notification shall be prepared by the Control Service, taking into account the recommendations of the Consultative Council, and shall be approved by the Cabinet; and

- pursuant to a written request of the Control Service, provide without delay, for the performance of the functions provided for by this Law, additional information regarding the financial transaction (transactions) of a client concerning which a report has been received, but in the cases provided for in Section 32 of this Law, with the consent of the Prosecutor General or a specially authorized prosecutor – also regarding other transactions of the client.

Officials and employees of credit institutions and financial institutions have a duty to also notify the Control Service regarding discovered facts which do not conform to the elements included in the list of elements of unusual transactions, but which due to other circumstances cause suspicion regarding the laundering or attempted laundering of proceeds derived from crime.

The Control Service in accordance with the procedures set out in this Law shall co-operate with international authorities, which are engaged in combating the laundering or attempted laundering of proceeds from crime. All State authorities have a duty to provide information requested by the Control Service for the performance of its functions, pursuant to the procedures prescribed by the Cabinet. In performing the information exchange with the Control Service, the person who manages the personal data processing system or performs the data processing is prohibited from disclosing to other natural or legal persons the fact of the information exchange and the information.

11. Please convey the steps banks and/or financial institutions are required to take to locate and identify assets attributable to, or for the benefit of, Usama Bin Laden or members of Al-Qaida or the Taliban, or associated entities or individuals. Please describe any "due diligence" or "know your customer". Please indicate how these requirements are enforced, including the names and activities of agencies responsible for oversight.

No credit institution or financial institution shall have the right to open an account or accept financial resources for safe keeping without obtaining the following client identification data:

1) from a resident:

a) a legal person – the name, legal address, registration number and place of registration; or

b) a natural person – given name, surname, personal identity number; or

2) from a non-resident – data from the personal identification document issued by the relevant state:

a) a legal person – the name, legal address, registration number and place of registration; or

b) a natural person – given name, surname, date of issue and number of the personal identification documents, and the authority which issued the certificate.

A credit institution or a financial institution shall also identify a client, if the total amount of a single separate transaction or several clearly related transactions is 10 000 LVL or larger, and if previously when opening the account or accepting the financial resources for safe keeping the identification of the client had not been conducted. If the total amount of the financial transaction is not determinable at the time of its performance, the identification of the client shall be conducted as soon as the total amount of the transaction becomes known and it is 10 000 LVL or larger.

Irrespective of the amount of the financial transaction, a credit institution or a financial institution shall identify a client if the elements of the transaction conforms to at least one of the elements included in the unusual transaction element list, or also if due to other circumstances, there is cause for suspicion regarding the laundering or attempted laundering of proceeds from crime.

If a credit institution or a financial institution knows or has cause to suspect, that the transactions mentioned are conducted on behalf of a third person, it shall, insofar as possible, also identify such third person.

The supervisory and control authorities of credit institutions and financial institutions have a duty to report to the Control Service facts discovered during the course of examinations which conform to the elements which are included in the list of elements of unusual transactions, and regarding which the relevant credit institution or financial institution has not notified the Control Service.

12. Resolution 1455 (2003) calls on Member States to provide "a comprehensive summary of frozen assets of listed individuals and entities". Please provide a list of the assets that have been frozen in accordance with this resolution. This list should include assets frozen pursuant to resolutions 1267 (1999), 1333 (2001) and 1390 (2003). Please include, to the extent possible, in each listing the following information:

- ***identification(s) of the person or entities whose assets have been frozen;***
- ***a description of the nature of the assets frozen (i.e., bank deposits, securities, business assets, precious commodities, works of art, real estate property, and other assets);***
- ***the value of assets frozen.***

Since September 11, 2001 no assets of listed individuals and entities have been identified and frozen in the Republic of Latvia.

13. Please indicate whether you have released pursuant to resolution 1425 (2002) any funds, financial assets or economic assets that had previously been frozen as being related to Usama Bin Laden or members of the Al-Qaida or the Taliban or associated individuals or entities. If so , please provide reasons, amounts unfrozen or released and dates.

Please see answer to question 12.

14. Pursuant to resolutions 1425 (2002), 1390 (2001) and 1267 (1999), States are to ensure that no funds, financial assets or economic resources are made available, directly or indirectly, to Listed individuals or entities or for their benefit, by nationals or by any persons within their territory. Please indicate the domestic legal basis, including a brief description of laws, regulations and/or procedures in place in your country to control the movements of such funds or assets to designated individuals and entities.

According to the Law on Prevention of the Laundering of the Proceeds from Crime the Control Service consolidates information on all designated individuals and entities and disseminates it to all financial and credit institutions of the Republic of Latvia.
Furthermore the duties of the Control Service include receiving, compiling, storing and analyzing reports by credit institutions and financial institutions, as well as information obtained by other means in order to determine whether such information may be related to the laundering or attempted laundering of proceeds from crime.

The Control Service shall perform the necessary administrative, technical and organizational measures, in order to ensure the confidentiality of information, to prevent unauthorized access to and unauthorized tampering with, or distribution or destruction of such. The procedures for the registration, processing, storage and destruction of the information received by the Control Service shall be determined by the Council of the Prosecutor-General, taking into account the recommendations of the Advisory Council. Information regarding financial transactions shall be retained by the Control Service for at least five years.

All State authorities have a duty to provide information requested by the Control Service for the performance of its functions, pursuant to the procedures prescribed by the Cabinet. In performing the information exchange with the Control Service, the person who manages the personal data processing system or performs the data processing is prohibited from disclosing to other natural or legal persons the fact of the information exchange and the information.

Credit institutions and financial institutions have an obligation to:

i) notify the Control Service without delay regarding each financial transaction the elements of which conform to at least one of the elements included in the list of elements of unusual transactions. The list of elements of unusual transactions and procedures for notification shall be prepared by the Control Service, taking into account the recommendations of the Consultative Council, and shall be approved by the Cabinet; an

2) pursuant to a written request of the Control Service, provide without delay, for the performance of the functions provided for by this Law, additional information regarding the financial transaction (transactions) of a client concerning which a report has been received, but in the cases provided for in Section 32 of this Law, with the consent of the Prosecutor General or a specially authorised prosecutor – also regarding other transactions of the client.

Officials and employees of credit institutions and financial institutions have a duty to also notify the Control Service regarding discovered facts which do not conform to the elements included in the list of elements of unusual transactions, but which due to other circumstances cause suspicion regarding the laundering or attempted laundering of proceeds derived from crime.

According to the Law "On public organizations and associations" a fund can be established only when registered as a public organization in Register of Enterprises. Such a fund should have a statute where it is clearly stated for what purpose it collects donations and how these will be spent afterwards. There is a special provision set out in Council of Ministers Regulation, under which each fund after being registered as mentioned above, is obliged to receive permit from the Ministry of Finance for receiving donations. The Ministry of Finance is entitled to audit these funds and in case donations are being spent other than stated in statute and permission, to recall that permission. By all means complaint can be brought before the competent authorities to examine possibility of unlawful actions.

IV. Travel Ban

15. Please provide an outline of the legislative and/or administrative measures, if any, taken to implement the travel ban.

Persons entering the Republic of Latvia are being checked at the Latvian diplomatic missions abroad when there is a visa required and/or when crossing the border of the state by border guards. There is a special list of persons to whom it is restricted to visit the Republic of Latvia. This list is being amended on a regular basis and diplomatic missions can always consult the border control when these are uncertain about the person requesting the visa.

16. Have you included the names of the Listed individuals in your national "stop list" or border checkpoint list? Please briefly outline steps taken and any problems encountered.

There is a "stop list" which is used by border guards for checking persons entering the Republic of Latvia. The compilation of such list is a competence of police institutions. To date there have been no problems in this regard.

17. How often do you transmit the updated List to your border control authorities? Do you possess the capability of searching List data using electronic means at all your entry points?

The border control list is constantly updated and it can be checked electronically at permanent border control posts.

18. Have you stopped any of the Listed individuals at any of your border points or while transiting your territory? If so, please provide additional information, as appropriate.

To date none of the Listed individuals have been stopped at our border points or transiting our territory.

19. Please provide an outline of the measures, if any taken to incorporate the List in the reference database of your Consular offices. Have your visa-issuing authorities identified any visa applicant whose name appears on the List?

Please see reply to question 15. To date, there have been no visa applications from anyone on the List.

V. Arms Embargo

20. What measures, if any, do you have in place to prevent the acquisition of conventional arms and weapons of mass destruction (WMD) by Usama Bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them? What kind of export control do you have in place to prevent the above targets from obtaining the items and technology necessary for weapons development and production?

Latvia has not taken any specific measures to prevent the acquisition of conventional arms and weapons of mass destruction (WMD) by Usama Bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them.

According to the Regulations Regarding Control of Goods of Strategic Significance there is a specific export control of the abovementioned articles. These Regulations prescribe the control of the export, import, transit, production, storage and use of goods of strategic significance in conformity with the interests of Latvian national and international security and are directed against the distribution of nuclear, chemical, bacteriological and other weapons of mass destruction and their means of delivery.

The production, storage, use, export, import and transit of goods of strategic significance shall be controlled by the Committee for Control of Goods of Strategic Significance (hereinafter - Committee). The Committee is an inter-ministry committee established by the Cabinet of Ministers. It comprises authorized representatives of ministries, approved by the Cabinet, as well as the director and deputy directors of the Export and Import Control Department of the Latvian Development Agency. A chairperson appointed by the Cabinet manages the work of the Committee.

An undertaking shall receive a license for each transaction of export, import or transit of goods of strategic significance. A license shall not be necessary if the National Armed Forces, the Prisons Administration and the Ministry of the Interior import conventional armaments, weapons and ammunition in accordance with the procedures prescribed by the Ministry of Defense, Ministry of Justice and the Ministry of the Interior respectively.

An undertaking shall perform the export, import and transit of goods of strategic significance observing the name of the goods, their technical parameters and quantity as specified in the license. An undertaking shall observe the special conditions or notes, which are mentioned in export and import licenses, on the import certificate as well as in the confirmation of final use of goods of strategic significance. After the receipt of the license, the export and import of goods of strategic significance shall be performed within the time period specified in the license. The transit of goods of strategic significance shall be performed located at a customs border control point of Latvia transported in transit within a time period set by a customs authority located at that customs point, which shall not exceed five days.

The export, import and transit of goods of strategic significance shall be performed only through the customs control points specified by the Customs Administration. The intended border crossing location shall be specified in the relevant license. Exporters who have received a license with a special note shall submit a supply control certificate or a document comparable thereto approved by export control authorities of the relevant state to the Agency within a period of 120 days after the export of goods of strategic significance.

21. What measures, if any, have you adopted to criminalize the violation of the arms embargo directed at Usama Bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them?

Resolution 1390 (2002) which imposes the embargo is implemented by Cabinet of Ministers Regulations on April 4, 2002.

As Criminal Law, section 81 "Violation of Sanctions Imposed by International Organizations" states - for a person who commits intentional violation of regulatory enactments regulating implementation of sanctions determined by the United Nations

Security Council, European Union or other international organizations in the Republic of Latvia,

the applicable sentence is deprivation of liberty for a term not exceeding five years or a fine not exceeding one hundred times the minimum monthly wage.

For a person who commits the same acts, if commission thereof is repeated, or by a group of persons pursuant to prior agreement, or by a State official,

the applicable sentence is deprivation of liberty for a term not exceeding eight years, with or without confiscation of property.

22. Please describe how your arms/arms broker licensing system, if any, can prevent Usama Bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them from obtaining items under the established arms embargo.

Please see answer to question 20. Furthermore there is a special register of arms where all the information regarding imported, exported or transited arms, possessors or owners (including name and family name, identity code, registered address) of arms, licenses and control shots can be found.

23. Do you have any safeguards that the weapons and ammunition produced within your country will not be diverted/used by Usama Bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated?

As already stated according to the Regulations Regarding Control of Goods of Strategic Significance license is needed for every export or import transaction and this transaction can be performed only according to rules set up by license.